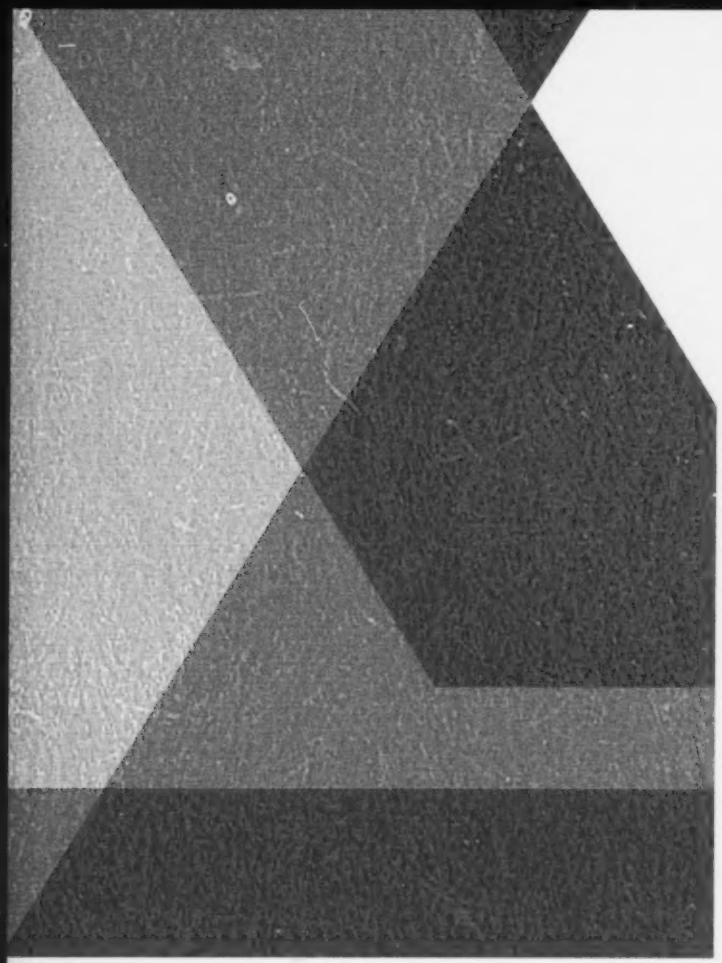

Business Plan 2018–19

Department of Agriculture

NOVA SCOTIA

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Budget 2018–19: Business Plan
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Minister's Message

The government and department are committed to working together with farmers, processors and exporters to ensure that Nova Scotia's agriculture sector prospers.

The new Canadian Agricultural Partnership takes effect on April 1 and will provide programs and supports that contribute to the growth and prosperity of our agricultural sector. During the coming year, the department will be rolling out programming under the five-year budget of $37 million. The focus will be increasing competitiveness, productivity and profitability, supporting the environmental sustainability of the agriculture and agri-food sectors and expanding access to domestic and international markets.

The value of the Nova Scotia apple industry is at an all-time high, with international exports close to $16 million in 2017. An orchard renewal program will continue to assist growers to expand profits from higher value varieties, such as Honeycrisp, Ambrosia and Gala.

More than 260 new acres of vineyards are under cultivation as the result of the Vineyard and Wineries Investment Program. In 2018-19, continued investment of $3 million will support innovation and continue expansion of grape growing. A collaboration with the wine, distilling and craft beer producers will encourage their further growth and development.

Incoming regulations for the Nova Scotia Farm Loan Board will help to meet industry requirements and improve service quality. The board is expected to invest up to $40 million to develop agriculture and agri-rural businesses. Perennia Food and Agriculture will continue efforts to help farmers, fishers and food processors be more competitive and profitable.

Our work to foster strong connections between local consumers and the farmers we depend on for the security of our food supply continues through the work of Select Nova Scotia and its emphasis on buying locally grown and made products. More and more Nova Scotians are choosing local products for their grocery basket and we are working to ensure that trend continues. This also contributes to the province's food security, ensuring we are able to feed our population in the event of an emergency.

The agricultural sector is the backbone of rural communities all around the province and in the coming year we are looking forward to working with our partners in industry to see it continue to grow and provide jobs and economic opportunities for Nova Scotians.

Sincerely,

Original signed by

The Honourable Keith Colwell, E.C.N.S.
Minister of Agriculture

Mandate

The Department of Agriculture's mandate is the development of competitive, sustainable and profitable agriculture and agri-business industries that contribute to the economic, environmental and social prosperity of Nova Scotia's rural and urban communities.

The Minister is committed to develop and launch the Building Tomorrow Fund for the farming and fishing sectors, the continuation of the Wine Development Program, and working with the Department of Finance to develop policies that encourage further growth in our local wine, distilling, and craft beer industries. The Department works to connect local consumers to the farm, to support goals of increasing supply, food security and buy-local initiatives.

The priorities and core functions of the Department of Agriculture are driven by five strategic themes:

- Enabling responsible economic growth
- Supporting research and innovation
- Building public trust and market acceptance
- Increasing trade and market access
- Encouraging value added opportunities

Department Priorities

In support of its mandate, the Department will undertake the following priority initiatives in the 2018-19 fiscal year:

- Implement the *Canadian Agricultural Partnership,* the five-year agriculture policy and priorities framework succeeding Growing Forward 2. This multilateral agreement includes all provinces and territories and supports the agricultural sector in six priority areas: markets and trade; science, research and innovation; environmental sustainability and climate change, risk management; value-added agriculture and agri-food processing; and public trust.
    - New cost-shared programming will be developed by the Department in 2018-19, with a five-year budget of $37 million ($7.4 million per year). The suite of programs will aim to increase competitiveness, productivity, and profitability; increase environmental sustainability of agriculture and agri-food sectors; and expand domestic and international markets.
    - Business Risk Management programs will continue to be offered to help producers reduce income losses stemming from production losses, severe market volatility, and extreme events or disasters. This includes a robust Crop and Livestock Insurance Program, delivered by the Department. The Department also

supports the industry with access to the federally delivered programs: AgriInvest, AgriStability, and AgriRecovery.

- The *Building Tomorrow Fund*, a three-year $9 million provincial investment into agriculture and fisheries, will be developed and delivered by the Department. The Building Tomorrow Fund will support farmers and fishers to create new products and enter new markets to further drive export growth. In 2018-19, half of the $3 million annual budget will be allocated to agriculture, with a focus on value-adding and quality initiatives.

- The Department, led by the Senior Sector Development Officer, will work with industry stakeholders to identify opportunities in the *wine, distilling, and craft beer industries*. Initiatives that encourage growth and development for these sectors will be developed in 2018-19 in collaboration with the Department of Finance & Treasury Board.

- In 2018-19, the Department will invest $3 million in Nova Scotia's grape and wine industry through the *Vineyard and Wineries Investment Program*. The third year of the four-year, $12 million program includes support for improved efficiency and expansion of vineyards and wineries, innovation through targeted research projects, development of export market opportunities, and quality enhancement. To date, there has been 260 acres of new vineyard planted.

- *Wild Blueberry Market Development* will be a key focus in 2018-19. Wild blueberries are Nova Scotia's largest agriculture export at $76.3 million in 2017. The Department will work with the wild blueberry industry to develop an even stronger frozen and fresh food industry in Nova Scotia, nationally and globally through new innovative packaging methods and value-added consumer products using wild blueberries. The Department will also seek new ways to grow sales in the domestic market while aggressively pursuing new export markets and business opportunities in Asia and the European Union. Market development efforts will focus on education, increasing consumer awareness and developing new distribution channels such as retail, food service and e-commerce. Promotional initiatives will incorporate key messaging with emphasis on wild, health benefits, quality and taste. Product versatility using wild blueberries will be showcased during chef demonstrations, competitions, media and food blogger events and consumer tastings.

- The *Apple Industry Growth & Efficiency Program* (AIGEP) is a partnership between the Department and Nova Scotia apple growers that encourages innovation through orchard renewal. The program is in year five of the six-year, $2.2 million agreement. This program assists apple growers with the initial capital investment to plant their orchards with new, higher value varieties, such as Honeycrisp, Ambrosia, and Gala, that will help the industry expand and be more profitable. The value of the Nova Scotia apple industry is at an all-

time high, with Farm Cash Receipts reaching $21.7 million in 2016 and international exports reaching $15.9 million in 2017.

- In partnership with Public Safety Canada, under the National Disaster Mitigation Program, the Department will complete year two of the Truro Agricultural Dyke Re-Alignment Pilot Project. This $3 million project will restore a large section of natural floodplain and upgrade flood control infrastructure along the Salmon and North River estuary. *Agricultural Dyke Management* is an on-going priority of the Department, supported by a $1.8 million operating budget, to operate and maintain the 240-kilometer provincial dyke system. This dyke system protects significant provincial infrastructure, such as highways and rails in communities around the Bay of Fundy. The Department will continue to work with various stakeholders, experts, and federal and provincial governments to design long-term solutions to prevent flooding and respond to climate change.

- The Department will focus efforts on *value-added strategies* that will increase the value and competitiveness of Nova Scotia' agri-food sector. In 2018-19, the Department will work collaboratively with Perennia, as well as university partners, on research and development initiatives that will open markets for innovative products.

- In 2018-19, the Department will continue to work on building a Client Relationship Management System and a Compatible Grants Management System. These systems will streamline the delivery of programs and interactions with our clients, improve the client experience with faster turnaround times, and enhance performance reporting of programs.

- The Department has established an *Agricultural Climate Change Scan Team* in collaboration with the Nova Scotia Environment's Climate Change Unit. This team will focus on developing and implementing strategic actions that build on existing activity within the department, capitalizes on potential future opportunities of a changing climate, while also minimizing the challenges and economic impacts to the agricultural industry and infrastructure.

- Addressing *labour issues in the agriculture sector* will be a key priority for the Department in 2018-19. In collaboration with industry stakeholders, the Department of Labour and Advanced Education, as well as Immigration, existing initiatives related to labour issues will be assessed to identify gaps and propose solutions.

Core Functions

There are a number of core services and programs the Department provides that support its overall mandate, strategic themes and government priorities. Highlights of these activities include:

- Perennia Food and Agriculture Inc. ("Perennia"), with the support of the Department's annual grant of $2.5 million and additional project-based funding, works to help farmers, fishers, and food processors be more competitive and profitable by offering services in the field, in quality and food safety and in product development and commercialization.
- The Department is actively engaged in championing an industry perspective regarding domestic and international trade issues and market access opportunities. This is of particular importance as Canada has been actively negotiating new and existing trade agreements. The Department, through various mechanisms, is supporting efforts to ensure that Nova Scotia businesses understand the opportunities when exporting to external markets, that they are prepared for an increasingly competitive trading environment, and that Nova Scotia complies with obligations under trade agreements.
- Select Nova Scotia, the Province's buy-local program, is intended to add marketing value for local businesses. Select Nova Scotia uses strategic partnerships to raise consumer awareness regarding Nova Scotia food, locally made goods, and locally owned businesses, and helps Nova Scotians understand the importance of buying local. The Department has a strong partnership agreement with Taste of Nova Scotia to provide culinary tourism marketing, export market development, and high-profile consumer events.
- The Department aids new farmers in the Province on issues affecting the success of beginning and transitioning farmers. This includes providing facilitated access to information through the thinkFARM online presence. thinkFARM provides introductory business planning and production resources as an entry portal in accessing advisory services for growing a farm business from the Department and Perennia technical services.
- The Nova Scotia Farm Loan Board will invest up to $40 million in the development of agriculture and agri-rural business throughout the Province. Updated regulations are anticipated during 2018-19 that will enhance the Board's ability to meet industry requirements; improve service quality; address risk issues and allow for continued financing solutions into the future.
- The Department supports long-term community sustainability by building leadership capacity that empowers skilled, engaged and responsible youth, adult volunteers and organizations though partnerships with groups like 4-H Nova Scotia.

- Through pan-Atlantic collaborations, the Department provides financial assistance for research and innovation projects of regional benefit, to improve the profitability, competitiveness, and sustainability of the agriculture, and agri-food sectors. To date, seven projects with more than $500,000 in total funding commitments from Nova Scotia have been implemented.

- To build public trust and confidence in the agriculture sector to meet the growing consumer demands for transparency in food production, and to build an appreciation for Nova Scotia agriculture, the Department provides an array of information and outreach events focused on youth awareness of agriculture and agricultural careers, as well as supports industry-led initiatives relating to encouraging public trust.

- The Natural Products Marketing Council regulates the production and marketing of pork, beef and potatoes and manages the effective functioning of the supply managed sector in Nova Scotia which includes dairy, eggs, chicken and turkey. This sector represents approximately fifty percent of Nova Scotia's farm gate value. Significant regulatory changes will occur throughout the year, strengthening the legislative framework to support the commodity groups under their jurisdiction.

- Extension and Outreach Services are provided to agriculture clients and rural organizations that are focused on industry competitiveness and are delivered through a coordinated approach across the Province. Key objectives include outstanding client service, partnerships, leadership development, cooperation and collaboration with the goal of growing the industry, strengthening communities and creating a sustainable and profitable agricultural industry.

- The Value Chain Development unit provides business advisory services to support industry development and competitive transition, as well as to facilitate access to federal and provincial resources for clients across the agri-food value chain. The focus of these activities is to mitigate business risk, build industry capacity, and support sector development through research and development, and innovative initiatives.

- The Department's laboratory services continue to provide ISO accredited laboratory testing to support public and animal health and inform industry on production management decisions.

- Animal and Crop Services supports the safety and security of food production through the delivery of traceability and biosecurity programs, the sustainability of the blueberry and honey bee industries, and initiatives related to agriculture pests. Through its

partnership with the Nova Scotia Federation of Agriculture, the Department helps deliver an environmental farm management program.

- The Department offers veterinary services in animal diagnostics and disease surveillance as well as administers the Livestock Health Services and Herd Health Services programs to support healthy livestock management in the Province.

- The Department also works to eliminate barriers to growth for agriculture related sectors and collaborates with the Office of Regulatory Affairs and Service Effectiveness to reduce regulatory burden where possible.

Departmental Expenses Summary

($ thousands)

Programs and Services	2017-2018 Estimate	2017-2018 Forecast	2018-2019 Estimate
Senior Management	697	695	698
Policy & Corporate Services	27,853	36,189	34,855
Agriculture & Food Operations	13,442	13,237	14,062
Total - Departmental Expenses	41,992	50,121	49,615
Ordinary Recoveries	5,991	5,279	6,410
Funded Staff (# of FTEs)			
Department Funded Staff	169.6	163.1	169.6

Note:
For Ordinary Revenues, see Estimates and Supplementary Detail Book, Chapter 2
For TCA Purchase Requirements, see Estimates and Supplementary Detail Book, Chapter 1